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STATE OF WASHINGTON

THIRD MESSAGE

OF

GOVERNOR M. E. HAY

TO THE

LEGISLATURE OF 1913

OLYMPIA, WASH.

OLYMPIA, WASH.
E. L. DOUGLAS, STATE PRINTER
1913

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THIRD MESSAGE OF GOV. M. E. HAY

Gentlemen of the Senate and of the House of Representatives:

The conditions throughout the state of Washington during the past biennium have been most gratifying. The business institutions and commercial enterprises of this state are so firmly established that they have survived unshaken the stress of an unusually strenuous national campaign, such as all too frequently hampers progress and halts prosperity. The farmers of the state have harvested bounteous crops that have been marketed at remunerative prices; manufacturing and commercial interests have been well supplied with orders; the fisheries have flourished, and wage-earners have had steady employment at good wages. The development of the state's resources has progresssed steadily. Greater areas of land have been brought under cultivation each year, and our farmers are producing more and better crops per acre than ever before. The water powers of the state are being harnessed, cheaper power developed, and the manufacturing centers enabled to secure the establishment of more manufactures and to increase and improve the output while lowering the cost of production. The

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railroads have been extending branch or feeder lines into regions heretofore without transportation facilities, thereby opening up new areas for settlement and development. At no other time in the history of this commonwealth have the people been so happy, prosperous and contented.

STATE FINANCES.

The State of Washington is to be congratulated upon its present healthy financial condition. On May 1, 1911, the last of the general fund bonded indebtedness, that had been hanging over the state for years, was cancelled by the State Board of Finance. The following special fund bonds are still out, which the legislature should authorize retired.

Wenatchee Bridge Bonds amounting to $125,000, to be paid from the highway fund. These bonds can be retired on March 1.

Normal School Bonds amounting to $206,024, which should be retired the present year.

The Capitol Building Fund is overdrawn $1,191,-782.42, of which $588,912.46 is due to the General Fund, representing money advanced to pay interest and for the erection of the Temple of Justice as directed by the last Legislature.

I recommend that the Capitol Building Grant be bonded for a sufficient amount to fund the special

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debt, thereby returning to the general fund the $588,-912.46 advanced therefrom. In this connection, the following compiled statement of cash in the General Fund and the bonded indebtedness is interesting:

GENERAL FUND

	Cash on hand	Bonded debt
January 1, 1905	$2,362 77	$1,250,000
January 1, 1907	76,781 78	1,340,000
January 1, 1909	198,036 38	1,200,000
January 1, 1911	223,196 26	700,000
January 1, 1913, overdraft	369,327 60	(None)

There are due the General Fund sums totaling $706,429.31, or $337,101.62 in excess of the overdraft on January 1. These amounts represent a loan of $588,912.46 from the General Fund to the Capitol Building Fund, which will be returned as soon as the Capitol Building Grant bonds are sold, and $117,-516.85 now in the Scientific Current, the C. E. P. and R. I. Current and the Horticultural Fund, which the last Legislature failed to appropriate.

Funds—		
General (overdraft)	$369,327 69	
Military		$67,380 32
Public Highway		112,242 33
Permanent Highway		725,314 91
Accident		478,275 39
Current School		65,764 77
Permanent School		549,255 08

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University Current		$11,668 28
University Permanent		2,061 47
United States		55,431 59
Capitol Building		10,765 82
Scientific Current		38,706 44
Scientific Permanent		6,893 97
Agricultural Current		2,289 60
Agricultural Permanent		2,104 47
C., E., P. and R. I. Current		46,945 38
C., E., P. and R. I. Permanent		2,052 23
Normal Current		4,749 43
Normal Permanent		3,334 69
A.-Y.-P. Exposition (overdraft)	$2,594 47	
A.-Y.-P. Guaranteed Interest		761 14
Board of Medical Examiners		245 00
Quarries Rotary		3,762 48
Oyster Reserve		4,043 41
Horticultural		31,865 03
Morrill		30,264 36
Adams		2,253 08
Hatch		2,154 87
College		6,820 78
Deposit Interest		30,813 94
Forest Reserve		2,397 12
Total		$2,300,617 38
Less Overdrafts		371,922 16
Balance December 31, 1912		$1,928,695 22

On January 1, 1913, the permanent or irreducible funds were as follows:

Common School	$9,255,261 70
University	94,811 47

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Scientific	$254,493 97
C., E., P. and R. I.	273,922 23
Agricultural	174,689 47
Normal	167,734 69
Total cash and bonds	$10,220,913 53

These funds are invested in county, municipal and school district bonds and are bringing into the treasury interest in excess of $1,225.00 per day, including Sundays.

The following sums have been received by me and transmitted to the State Treasurer, from January 1, 1911, to January 1, 1913:

Notary fees from 2,195 applicants	$21,950 00
Commissioner of Deeds from four applicants	20 00
From federal government account soldiers' homes	96,644 11
From federal government account 5% sales of public lands	16,211 39
From federal government account forest reserves revenue	56,006 57
From states requiring of other states extradition fees	151 00
Total	$190,983 07

This state should never again incur the burden of a bonded debt. The indebtedness against the Capitol Building Grant will be retired as the lands are sold. Besides caring for the present indebtedness, the capitol grant, if properly handled, will provide sufficient funds to construct as fine a group of capitol buildings

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as adorn the seat of government of any state in the Union.

STATE INSTITUTIONS.

The increase in the number of inmates of the state's penal and eleemosynary institutions is greater in proportion than the growth of population of the state. On April 1, 1902, this state was caring for 2,184 inmates in the several institutions; October 1, 1908, the number had increased to 3,526, and four years later, October 1, 1912, the number of inmates was 4,986, with an enrollment, present and absent, of 6,352. This rapid growth in the number of state's wards has made necessary the construction of many new buildings and the establishment of additional institutions. A large part of the revenues of the state is expended in the care and maintenance of those who are committed to the protection or restraint provided by the state. During the past biennium approximately $930,000.00 was expended in construction and betterments, and $1,700,000.00 was expended for maintenance at the institutions.

The management of these institutions is a grave responsibility, and efficiency depends upon the experience as well as the professional equipment of the superintendents. Political considerations should have absolutely no weight in the selection of institutional

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heads. When I became Governor, I found a splendid corps of superintendents in charge of the state institutions and I made no changes. These men were giving the state the full benefit of their experience and exceptional abilities, and I desire to take this opportunity to say that whatever credit is due my administration for the high standard of the state's institutions and institutional work is due to the intelligent and unselfish devotion to their duties of the superintendents and their assistants. The wisdom of retaining them in their positions is evidenced by the results.

Your attention is hereby called to the detailed report of the State Board of Control relative to the various state institutions, their growth, management, cost of maintenance, new construction, etc. The present administration has used as largely as possible the inmates of the state charitable, reformatory and penal institutions in out-of-door work, and especially on the farms, in gardening, dairying, etc. It has been beneficial in two ways:

First: Improvement in the health of the inmates.

Second: Tending to reduce the cost of maintenance of the institution.

This policy I hope will be continued, and to that end several of our institutions should be given more lands for garden and farm purposes, especially at

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the Training School, Penitentiary and the School for Defective Youth.

During the last biennium the value of the farm, garden and dairy products of the various state institutions totaled $172,192.35, as against $99,200 for the previous biennium.

Prior to the present administration the operation of the jute mill at the State Penitentiary had been a heavy load upon the taxpayers, but through the introduction of better business methods in handling the mill and its product, we have, during the past biennium, turned into the state treasury a profit of $108,316.48. During the period from October 1, 1911, to September 30, 1912, 1,958,482 bags were manufactured and sold, and for the calendar year 1912 the output of the factory was 1,928,085 bags. The total number of grain bags sold during the last biennium was 3,352,309, bringing into the state treasury $255,-004.03, or an average price per bag of 7.61 cents.

In my second message to the Twelfth Legislature I made the following recommendation:

"Under our present law, when an inmate of the Institution for Feeble-minded has attained his or her majority, it is mandatory upon the superintendent to discharge the patient. When released from restraint the tendency of these unfortunates to procreate is

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well known, and, as like begets like, the offspring becomes a public charge. If this is permitted to continue, far greater appropriations for the maintenance of these unfortunates will have to be made each biennium. It would be true economy on the part of the state to remove the age limit and provide for these unfortunates as long as they live, and, accordingly , I recommend that the second and third lines of section 2, sub-chapter 6, chapter 97, Session Laws of 1909, be amended to read: 'Who are six years of age or over, and who are idiotic or feeble-minded.' "

No action was taken on this recommendation and I urge upon you the necessity of immediate consideration of this suggestion.

I also called the attention of the members of the last Legislature to certain conditions existing at the State Training School.

1. As to the separation of the sexes and the establishment of a separate institution for the girls, and asked for an appropriation therefor.

2. An appropriation of $20,000 for the construction of a gymnasium and a study room for the boys.

It is a disgrace to the state to permit the present conditions at the school to exist any longer than is absolutely necessary. Nothing is to be gained by keeping the boys and girls together in this institution

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and much is to be lost. I cannot urge upon you too strongly the necessity of remedying present conditions. By crowding in as close as it is possible to get the beds, the institution can take care of 60 girls, where there should be room for at least twice that number. For the proposed new institution I would suggest the cottage plan rather than the construction of one large building.

There is no study room at the institution for the boys, nor is there a place where they can gather together for recreation and study in the evenings, other than two basement rooms about 40 by 50 feet each. You will readily realize that such conditions are far from hygienic and are detrimental to the physical development of the inmates.

TRANSFER OF NON-RESIDENT INSANE.

Several states provide for transporting non-resident insane patients to the states of which they are legal residents. For the sake alone of maintaining comity, the State of Washington ought to provide for sending non-resident insane patients to their places of residence. In addition to this important consideration, the question of economy argues strongly for such a provision. Reports recently received from the superintendents of the Eastern and Western Hospitals for the Insane show that these two institutions are

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now caring for 255 known non-resident insane patients at an annual maintenance cost of about $43,000.00. Dr. Semple, of the Eastern Hospital, summarizes the cost to the state of each of these patients in the following statement: "It is claimed by many authorities that the average life of the insane as they come is twelve years. Some put it lower than that. I think a very conservative estimate is ten years. New fireproof buildings cost approximately $750.00 per patient. The following figures say nothing of the portion of time, which means money, that the State Board of Control gives to these institutions:

Per capita cost at 50 cents per diem for 10 years	$1,825.00
Building space occupied, per capita	750.00
Interest on the investment at 5% for 10 years	375.00
Repairs on plant per capita for 10 years	111.00
	$3,061.00

After deducting from the item "cost of construction," which should not be charged in full to one patient since in the life of a building several patients would use the same space, the cost to the state for caring for each non-resident insane person would total at least $2,500.00. Thus it becomes apparent how great a saving can be effected by providing for deporting these patients. The State of Minnesota, which has a provision of this kind, saved $125,000 during the biennium 1910-11 through its operation.

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PUBLIC SERVICE COMMISSION.

The last Legislature placed upon the statute books of the state two measures of unusual importance, one, the Public Service Commission law, and the other the Industrial Insurance Commission law.

The creation of the Public Service Commission placed all public service corporations doing business in the state under regulative control of this Commission, and gave to the Commission power to make a physical survey of the property of the public service corporations to ascertain what the plant cost to produce, what it would cost to reproduce, its present value, and upon these findings base the rate the corporation may charge for services performed.

According to data recently compiled by the Commission since the operation of the law, it appears that there are now approximately seventeen hundred of such public utilities in the state under regulation with reference to their rates, service, etc., and subject to the requirements of the Public Service Commission law. The regulation of the public service corporations may now be said to be a fixed legislative policy of the state. If such regulation is to be intelligently and efficiently conducted then the attention of the Legislature must constantly be directed toward such work

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to the end that proper and sufficient administrative machinery be provided.

The accomplishments of the Public Service Commission since the enactment of that law amply justify the legislative wisdom in the creation of the Commission. Accident investigations have been conducted and many protective devices ordered installed. Hundreds of informal complaints have been received and satisfactorily adjusted and questions relating to rates, service, facilities, rules, regulations, etc., of public service companies, adjusted without the necessity of formal hearings. Gas, electric and water rules have been promulgated by the Commission providing for meter testing, meter readings, limiting the amount of advance payments and deposits, requiring companies to give consumers 8 per cent. per annum upon deposits, requiring the abandonment and abolishment of meter rentals and charges for meter installation, etc. These gas, electric and water rules promulgated by the Commission and effective since June 15, 1912, have saved thousands of dollars to gas, electric and water consumers. Reciprocal demurrage rules have been promulgated for the protection and security of shippers unable to secure equipment for their produce and merchandise. Physical connection has been ordered between different telephone companies,

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thereby affording better long distance service. Water, gas, electric, power and irrigation cases have been heard and adjusted and in many instances better service and lower rates afforded to the public. The properties of the public service corporations have been valued in many instances and such valuations certified to the taxing authorities of the state, thereby affording a definite and scientific basis for taxation. Upon request of the farmers and hay growers of Eastern Washington, interior grain and hay inspection points were designated for the inspection and weighing of hay.

SEPARATION OF GRADE CROSSINGS.

A careful and analytical study of the workings and operation of the Public Service Commission law, discloses that one or two matters relating to the Public Service Commission are entitled to serious consideration on the part of the Legislature. The Commission should be clothed with authority to order elimination of dangerous grade crossings. In 1909 the Legislature empowered the Commission to permit or prohibit grade crossings but the law was not retroactive and only applied to crossings thereafter constructed. The Commission prepared and presented to the 1911 Session of the Legislature a bill authorizing separation and elimination of dangerous grade

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crossings, along the lines of similar legislation in New York and other Eastern states. The bill failed of passage for the reason that the Legislature apparently was not sufficiently impressed with the importance of the same. The death of a prominent Seattle citizen at one of these dangerous crossings in July, 1912, emphasized the necessity for further affirmative legislation. There are many grade crossings in this state that must be eliminated for the state cannot continue to sacrifice its citizenship by failure to pass such a law. Public sentiment is demanding action. Railroads and highways are extending rapidly in the state and the importance of additional grade crossing legislation requires no further comment. I earnestly urge early and careful consideration of this important subject. The matter of the apportionment of the expense incident to grade separation is one of legislative detail.

SUPERVISION OVER PUBLIC SERVICE SECURITIES.

For the protection of the investing public I urge the passage of a law providing for a strict and rigid regulation of irrigation projects. The Public Service Commission should be empowered to compel all irrigation companies to make written application to the Commission setting forth in detail their entire pro-

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ject, giving the estimated cost thereof, the methods to be employed for financing the same, the forms of contract under which it is proposed to sell land and water rights, etc. The Commission should then make a thorough investigation of the entire project, examine the character of the soil, quantity of water, what amount would be sufficient for a reasonable maintenance fee, and examine carefully into the financial status of the company and its ability to complete the project. The Commission could then determine whether or not the enterprise was feasible and bona fide and issue a certificate of approval and, while not guaranteeing the success of the enterprise, nor insuring the investor against dishonest management, would nevertheless have the effect of eliminating all ill-conceived and premature projects not founded upon a sound financial or business basis. Such a law would be of immense benefit to those companies who are doing business and propose to do business upon sound business principles. The irrigation situation in the state demands the serious consideration of the Legislature to the end that proper safeguards be provided for the investing public.

Many states have laws which provide that no issue of stock certificates, bonds, notes or other evidence of indebtedness payable in more than twelve months

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by any public service company, shall be valid without a certificate of authorization from the Commission. The California statute relating to this subject is somewhat similar to that of Wisconsin, New York, Massachusetts, and other states, and provides in part as follows:

First: That public utilities may issue certain securities only for certain definite purposes specified in the act, such as acquisition of property, the construction, completion, extension or improvement of its facilities, etc.

Second: That any company desiring to issue such evidence of indebtedness shall make a written application therefor to the Commission. A thorough investigation shall be made by the Commission's experts. A hearing shall then be had and an order made either granting or denying said application.

Third: That if the Commission grants said application it may attach such condition or conditions to the issuance of said securities as it may deem reasonable and necessary.

Fourth: That the company shall not issue or dispose of said securities on any terms less favorable than those specified in the order and the proceeds from the sale thereof shall be expended only as directed in said order.

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Fifth: That no franchise or permit shall be capitalized in excess of amount actually paid to the state or to the political subdivision thereof as a consideration for the granting of such franchise or permit nor shall any contract for consolidation or lease be capitalized.

Sixth: That the Commission shall have the power to require the public utility to account for the disposition of the proceeds of all sales of securities authorized by the Commission.

Seventh: That all securities issued without the authorization of the Commission shall be void.

Eighth: That the approval of securities by the Commission does not operate as a guarantee of the same by the Commission and does not obligate the state to pay the same under any conditions.

I urge the passage of similar legislation for the State of Washington, believing that the control of stock and bond issues of public service corporations will inure, not only to the benefit of the investing public, but also to the benefit of the companies themselves.

INDUSTRIAL INSURANCE.

The second measure of great importance is the workmen's compensation or Industrial Insurance law. By reason of the enactment of this law, Washington is placed in the forefront of all the states in

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the Union in the matter of providing for the care and protection of those injured in industrial pursuits. The law has proved a boon to employer and employee alike, and has also materially relieved the pressure upon the courts. It is working out far better than its friends had hoped for. That some minor changes should be made is without question, for it is not within the range of human limitations that a new proposition so elaborate and so far reaching as this law can be written the first time and put into effect without discovering discrepancies and omissions, or provisions where changes could be made which would prove beneficial. I recommend:

First: That the rates of some of the sub-groups be adjusted.

Second: That the Commission be given greater latitude in making changes in rates.

Third: That the number of classifications be reduced.

Fourth: That the pension awarded to workmen totally incapacitated from gainful labor be increased fifty per cent.

Fifth: That where a workman under twenty-one years of age leaves actual dependents, he should be treated the same as if over twenty-one years of age.

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Sixth: That the employers be required quarterly to submit to the Commission their payrolls for the quarter then ending.

Seventh: That the inspection of dangerous machinery and conditions conducive to accidents be placed under the jurisdiction of this Commission.

Eighth: That the Commission be empowered, after due hearing, to establish minimum standards of safety.

Ninth: One of the common complaints against the department is the length of time required to get financial aid to the injured workman. The Commission should be given greater latitude in relieving immediate necessities.

Tenth: A first aid law should be enacted, the intent being to supply the injured workman with immediate and sufficient first aid, and this will relieve the pressure on the accident fund.

Your attention is called to the exhaustive report of the Commission appointed to administer the law.

Owing to the lack of funds and the danger of creating a deficiency, on December 1st the Commission was compelled to discharge many valuable employes and close the branch office of the Industrial Insurance Department at Bellingham. The business interests of that city, through their chamber of commerce,

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came to the rescue and made arrangements to pay the running expenses of that office until the first of April, rather than to have the office closed and the work of the Commission delayed. I trust that you will reimburse the chamber of commerce of Bellingham for its outlay.

ECONOMY IN ADMINISTRATION.

The growth and development of the state quickens the tendency to increase the functions and cost of government by adding new departments and multiplying the number of administrative offices. This cannot be avoided altogether. As new functions of government are created, new departments must be added to administer the law, as, for instance, the Public Service Commission, the Commission for the Establishment of a Uniform System of Accounting, and the Industrial Insurance Commission. This tendency, however, should be checked as much as possible, and after the problems of a new department have been solved, for the sake of economy, it should be united with some other similar department wherever it is possible to do so without crippling the efficiency of government.

With this end in view, I recommended to the last legislature the abolishment of the Tax Commission and Insurance Commission offices and uniting the work in a commission to be known as the Public Reve-

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nue Commission. Such commission, in addition to taking on the work of the Tax Commission and Insurance Commission, should also have charge of the collection of the indirect revenues. We are fast changing, and it is proper that we should, from a direct property tax to an indirect revenue income, and the work in this line will increase very rapidly from now on.

I also recommended that the offices of Labor Commissioner and Mine Inspector be incorporated as bureaus in the Industrial Insurance Department, and, again, I urge that these obviously advantageous consolidations be made.

SOCIAL CENTER MOVEMENT.

In my message to the last Legislature I referred briefly to the social center movement, recommending a larger use of public school buildings and grounds. On the basis of economic waste alone, it is regretable that public school property should be used but thirty-six out of fifty-two weeks yearly, and that use not to exceed eight hours per day for five days per week. A moment's calculation will show that we are not getting half of the available use out of school property.

The social center movement is akin to the university extension movement for further adult education, but it is a growth from the common schools upward

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instead of an overflow from the university downward. That it is being assisted by the universities gives it standing. Our own University of Washington, and other universities have issued bulletins on this subject suggesting how the movement may be helped along.

The schoolhouse is the natural social center in the village and rural school districts. In order to secure the fullest development of the availability of these schools to meet the social needs and advance the economic interests of the localities in which they are located, it is necessary to secure permanent resident teachers of ability who may become closely identified with the interests of the community. To this end I renew the recommendation I made to the Twelfth Legislature that the board of school directors be authorized to erect suitable residences with modern conveniences for the principals of schools and their families, and also to acquire by purchase or donation tracts of land adjacent to public school buildings sufficiently large to be used for experimental farming, forestry, picnic, playgrounds, etc.

In the cities, while people still naturally gravitate for their social pleasures toward the school building, if within easy walking distance, organization and intelligent supervision are needed, which, like all other good things, must be paid for. I believe that it would

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be advisable to permit the school boards to employ and pay for out of regular school funds, one or more supervisors of social center work whose duties shall be to provide generally from local sources, lectures, discussions, musical entertainments and educational moving picture shows for the benefit of children and parents together. It will tend to unify such work and render it truly educational by placing all such meetings under authority of the social center supervisors. Even then in a city the size of Spokane, with its thirty-seven school buildings, covering over fifty square miles of territory, the entertainments directly planned by two supervisors, holding nightly meetings, would not reach each school building oftener than once in three weeks. This would not, however, limit more frequent voluntary meetings of school patrons of more purely social character under the control of local committees.

In many eastern cities, the social center meetings have become well established and have proved great successes, reaching many thousands of people with their uplifting messages. One of the results is that almost every new public school building now contains a public auditorium, and the people feel more free to use their own public property than ever before.

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CHEAPER MONEY FOR AGRICULTURAL DEVELOPMENT.

The development of the agricultural sections of the state is retarded owing to the fact that the farmers cannot secure money at a low enough rate of interest or on long enough time to warrant them in borrowing sufficient sums for their needs. In some sections of the state from three to five years and often longer is required to develop raw farm lands up to a state of profitable production. In other portions of the state the farmers form assessment districts and bond the lands to secure money for the purpose of getting water on the land for irrigation purposes. Under the present law the state cannot loan its permanent funds to the farmer direct, neither can it purchase the bonds of an irrigation or assessment district.

The counties and municipalities can borrow outside capital as cheaply as the state will loan its funds, but when the farmer makes his loans he is compelled to pay a much higher rate of interest and can borrow for a limited time only. Time is almost as important an element as low rates of interest to the borrower, and it is immaterial to the state, so long as the interest is paid promptly how long the loan runs, whether five years, ten years, or twenty years.

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One means of providing money at low rates of interest and for long time loans would be a constitutional amendment to permit the State Board of Finance to invest the permanent funds of the state in farm mortgages and assessment district bonds.

A preferable alternative to this plan, however, would be provision for rural co-operative credit associations. The problem of establishing banking credit for the small farmer as well as the small trader and industrialist, on the basis of property and products, has been solved, to the great profit of all concerned, in many European countries. Prior to the session last April at Nashville, Tenn., of the Southern Commercial Congress, which had been called to discuss the European systems of rural co-operative credit, I endeavored without success to find an influential citizen of Washington interested in the subject who might be willing to accept an appointment as delegate to that conference. I am informed that as a result of the Nashville meeting, promoted originally by the American delegate to the International Agricultural Institute at Rome, organized bodies in nearly thirty states have undertaken an examination of the matter for the purpose of hastening legislative activity.

The systems of co-operative credit founded in Germany nearly half a century ago have spread to other

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European countries, and have been of late years established with modifications in Ireland and British India. Different forms of organization have grown out of the original principles applied under what are known in Germany as the Raiffeisen banks, the Schultz-Delitsch banks and the Landshaften. In some instances, notably Belgium, state aid has been extended effectively.

Without attempting to enter upon a discussion of the various co-operative rural banking systems which are proved successes, I would recommend that the present Legislature make provision, though a small appropriation becomes necessary, for expert investigation of the entire subject, with a view to bringing about practical legislative action, if deemed wise, at the succeeding Legislature.

SPECIAL EXAMINING BOARDS.

There are several special examining boards in this state, such as the State Board of Medical Examiners, State Dental Board, State Board of Pharmacy, Optometry Board, and others of similar nature. The duties of these boards are to examine as to fitness those who wish to practice their professions in this state. These boards are doing a good work in protecting the state against fakers and imposters. The

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members of these boards serve without pay other than their actual expenses while in attendance at the board meetings. The money for the payment of these expenses comes from an examination fee charged to each applicant. There being no public accounting of this money, there has arisen some objection as to the manner in which these funds have been handled. In order to place the members of the various boards above criticism, I recommend that hereafter the fees collected be turned into the public treasury and the expenses of the members of boards be paid the same as those of other public officials.

PRIMARY ELECTION LAW.

I recommend the enactment of a Presidential Preference Primary law, and, in the interest of economy, suggest that the nominations for state and county offices be made at the same time that delegates to the national conventions are chosen.

I further recommend that the second choice provision of the present primary election law be eliminated, or else made non-compulsory. The second choice provision leads to confusion, and the election returns show that in some localities that provision is enforced, while in others it is totally ignored by election officers who often count the first choice whether the voter expresses a second choice or not.

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Owing to the confusion in counting those ballots whereon the voter marks a cross in the circle at the top of the party column and then makes a mark after one or more names in another column, I recommend that the circle under the party designation be removed and that the voter be required to make a mark in the square at the right of the name of every candidate for whom he wishes to cast his ballot.

RIGHT OF FRANCHISE.

Many citizens are compelled to be away from home or out of their voting precincts on general election day, and under the laws of this state they are thereby deprived of their rights of franchise. Railroads must be operated, mails must be delivered, and we insist that business activities shall not be halted even on this day, and the men who are compelled to attend to these duties are often disinfranchised. I recommend the enactment of a law that, with proper safeguards, will permit such persons to vote in any precinct in the state where their duties may require them to be on that day.

FRAUDULENT STOCKS AND BONDS.

Every year the people of this state sustain a large financial loss through investments in stock and bond schemes which have no market value. These fake

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schemes hurt the reputation of the state and are a serious detriment to the flotation of legitimate propositions that are based upon genuine values.

I recommend the enactment of a law requiring that, before a stock or bond proposition can be placed upon the market, the promoters must receive from the Public Service Commission, or some other duly constituted authority, approval of their enterprise and consent to place their securities before the public—the state to remain free, however, of all liability in the event of a failure of the enterprise.

IRRIGATION PROJECTS.

There are two proposed irrigation projects in the south central portions of the state—the Palouse irrigation project in Franklin county and the Quincy irrigation project in Grant county. So extensive are these projects and so productive are the soils that if water can be brought upon these lands the two areas will sustain a population nearly equal to the present population of the state. Because of the magnitude of these enterprises and their far reaching importance to the state as a whole, I recommend that a sufficient appropriation be made to enable the State Board of Geological Survey to secure all the engineering data necessary to determine the proper detail

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plans and the actual cost of placing water upon these lands.

WATER CODE.

Agreeable to a resolution passed in a convention of water users and those who have water to sell in the irrigated portions of our state, held in Spokane early in 1912, I appointed a committee of prominent citizens to make a study of the water laws of the state, and I requested this commission to prepare a bill to provide for correcting the unsatisfactory provisions of those laws. This bill has been prepared and will be presented for your consideration in due time.

The gentlemen who were selected to take up this work have devoted much time and thought to the preparation of the proposed law. They have also incurred some expense, and I recommend that they be reimbursed for cash expended. They have willingly given their time and ability, which we are glad to accept, but the state should not be willing to permit them to suffer a pecuniary loss in the prosecution of a work beneficial to the state.

REFORESTATION.

Over one-half of the merchantable timber in the United States today is to be found in the states of Montana, Idaho, Oregon, California and Washing-

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ton. In this state rapid inroads are being made in the forests and no steps have as yet been taken to perpetuate the supply of timber. I deem it high time that the Legislature take some action looking to the reforestation of the cut-over areas of the state that are not better adapted to agricultural development. This work should be undertaken by the state direct, and, furthermore, a law should be enacted encouraging private land holders to start new forests. I trust this subject will have your most serious consideration.

CHENEY NORMAL.

The administration building at the Cheney Normal School was destroyed by fire last June. Owing to the efforts and self-sacrifice of the citizens of that city, temporary arrangements have been provided so that the work of the school has been but little interrupted. An appropriation should be made as early as possible for the erection of a new administration building and the purchase of library apparatus, etc. The Board of Trustees of that institution should be directed to construct a fireproof building. This policy should be adopted by the state in the construction of all permanent buildings.

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FISHERIES.

For several years those connected with the fishing industry in this state have been subjected to considerable criticism because of the belief that they were prosecuting that industry without regard to the conservation of the supply of food fish, and that criticism has included the state Fish Commissioner's Department. Failure to properly enforce the laws governing the taking of food fish in the waters of the state has frequently been charged. In view of this criticism and for the purpose of protecting and developing the fishing industry, I appointed a committee of five State Senators in the summer of 1911, and requested them to examine into the subject of the food fishing industry in this state and the administration of the Fish Commissioner's Department. That committee was composed of Senators H. M. White, Josiah Collins, D. S. Troy, Ralph D. Nichols and F. J. Allen. These gentlemen made an examination into the conduct of the Fish Commissioner's Office and a careful study of the fishing industry as relates to the conservation of the supply of food fish. They have submitted a comprehensive report and recommendation which I transmit herewith, and which I trust will receive your thoughtful consideration.

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In this connection I wish to direct your attention to the lack of care bestowed by the state upon its thousands of acres of oyster lands. Because of neglect, this valuable heritage is rapidly deteriorating and will soon become of little value unless protected.

A fixed and continuing policy of developing these lands should be adopted or else they should be sold or leased to those who will bring them up to the highest state of cultivation.

If the shell fish industry is properly encouraged through propogation and care of the producing areas it will greatly add to the wealth and commerce of the state.

I recommend that you provide for the immediate protection and supervision of the state reserves and all state lands producing oysters, clams and crabs and that the Fish Commissioner and Oyster Board be given the assistance of a deputy with such salary and traveling expenses as you may deem proper to perform the work.

PUBLIC LANDS.

Over 600,000 acres of the common school lands granted to this state by the Federal Government at the time it was admitted to the Union are now tied up in federal reserves and are of no value to the state in their present condition. I am advised that several of

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the western states, with their granted lands similarly situated, have been enabled to effect a change by taking grants in a body and relinquishing back to the Federal Government the lands lying within the federal reserves.

I recommend that you, by suitable resolution or law, authorize the Governor and Land Commissioner to relinquish the state's interest in Section 16 and 36, where located in forest reserves, Indian or military reservations, to the Federal Government and accept in lieu thereof an equal acreage along the lower reaches of the present reserves, the selections first to be approved by the State Board of Land Commissioners, and that you make an appropriation for carrying out this exchange. You can readily see the benefit that will accrue to both the Federal and State Governments by reason of this exchange. It will leave the state's lands in compact bodies, easily accessible, whereas they are now scattered throughout the mountain regions and because of their location are not marketable. The benefit accruing to the Federal Government will be the advantage of having its lands in a solid body and not subject to attack by the state because of the injustice done the state by the Federal Government by sequestering in reserves the heritage granted to us by the enabling act.

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ROADS.

The present road laws have proved highly satisfactory in practical operation. It seems to me that they are fully adequate for carrying into effect any road policy the Legislature may see fit to adopt. The inharmony that developed between the State Highway Department on the one hand and local officers on the other under the old State Aid Law, has been entirely eliminated under the present highway laws. This, alone, is a consideration of such vital importance in formulating a state road policy that it should be carefully weighed by the Legislature before any radical changes that may be proposed in the present road laws are acted upon. The great importance to the state of constructing good roads and fostering the good roads movement is so fully appreciated that extended comment on that score is unnecessary, but, in this connection, I do wish to impress upon you the necessity of adhering to a consistent and comprehensive program in the adoption of any road policy. Only in this way can satisfactory results be attained. Any hap-hazard, pork-barrel or grab-bag method of appropriating road fund is certain to end in disaster to the good roads cause.

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ROAD MAINTENANCE.

I wish to again urge upon you the advisability of providing a road maintenance fund. It is false economy and a waste of public funds to construct high-class highways and then fail to provide for their permanent up-keep.

PANAMA-PACIFIC AND PANAMA-CALIFORNIA INTERNATIONAL EXPOSITIONS.

The Panama-Pacific International Exposition, to be held in San Francisco, and the Panama-California Exposition, to be held in San Diego in 1915, will undoubtedly excel anything of the kind heretofore undertaken. Hundreds of thousands of people from all parts of the world will visit the Golden State that year. Never before has a greater opportunity been offered to advertise and display the resources of Washington than will be offered at these expositions —an opportunity we cannot afford to miss. Furthermore, in consideration of the fine display California made at the Alaska-Yukon-Pacific Exposition in 1909, and the courtesy due a sister coast state, it is obligatory upon us to make as generous a display at these expositions as our means will warrant. With these matters in mind, early last year I requested several of the commercial bodies of the state to rec-

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ommend representative citizens to go with me to San Francisco and assist in the selection of a site for the proposed Washington building at the Panama-Pacific International Exposition. The site that was selected is one of the best on the grounds and can be made the center of attraction among the states' exhibits. Lack of time alone prevented us from visiting the site of the Panama-California Exposition and make a selection there also, but this should be done at the earliest possible date. The selection and preparation of material for these expositions should be handled by one commission.

MOTHER'S PENSION.

Every year men who are sent to the state penal institutions leave behind them families with small children in more or less destitute circumstances. With the father gone, the mother is compelled to seek employment away from home to earn something with which to keep her little flock together. With no one to look after them while the mother is away at work, the children often fall into evil ways and into the clutches of the law. Since they have less of this world's goods and are in a state of chronic want it is more difficult for them to resist temptation to do wrong than it is for children more fortunately situated. In view of this condition, the growth of some

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of our state institutions is not surprising. Stories of the distress and hardships borne by these mothers are poured into the ears of those vested with the pardoning power almost daily and account somewhat for the number of pardons granted.

I am sure the people of this state do not want these conditions to continue longer than is necessary. Every child born under the stars and stripes is entitled to be well fed, well clothed and well cared for in its tender years and to receive a fair education. If the parents cannot do this, then the state must, or else, our boasted civilization is a failure.

I recommend that the state pay a small annuity to mothers who are left with families in destitute circumstances. The amount of the annuity should be proportioned to the number of dependent children under sixteen years of age. I believe also that state aid and supervision should be extended to orphan homes.

PORTRAITS.

Through the efforts of Senator W. L. Jones and the courtesy of Mr. C. F. Gunther of Chicago, the state has been presented with one of the original Gilbert Stuart oil portraits of George Washington. This fine painting hangs in the Governor's office. I trust the Legislature, by an appropriate resolution, will

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convey to Mr. Gunther the thanks of the people of the state for this valuable gift.

Due to the efforts of Governor Mead, we now have in the Governor's office a likeness of all but one of the territorial governors, most of them photographs and in different states of preservation. Steps should be taken to have them reproduced in oil. In this connection, I beg to call your attention to the fact that no appropriation has been made for the purpose of having portraits in oil made of Governor Mead and Governor Cosgrove. This matter should engage your attention.

NATIONAL UNIFORM LAW CONFERENCE.

Our representatives to the National Uniform Law Conference recommend the enactment of the Warehouse Receipts Act and the Uniform Bills-of-Lading Law, which have been approved by the National Conference.

We have been sending representatives to this conference for years but have never made an appropriation in advance with which to pay their expenses, requiring them to ask for relief bills, and, furthermore, we have never provided for paying our share of the expenses of this conference. We should not be willing that other states represented at this conference

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should be compelled to pay our share of the necessary costs.

GENERAL RECOMMENDATIONS.

I urge the ratification of the constitutional amendment submitted by Congress providing for the direct election of United States senators.

I urge the enactment of a law prohibiting the employment of white female help in Chinese and Japanese restaurants.

Your attention is called to State Auditor C. W. Clausen's recommendation that the reports of the state departments be referred to one board for editing. The suggestion is good. There is no question but that much money is wasted each biennium in the preparation and duplication of reports of the various state officials. With some central body to pass upon what each department shall publish in its report this waste and duplication can be avoided.

There is no provision of law authorizing the State Auditor to draw warrants on the State Treasurer for the purpose of advancing money to the superintendents of the state institutions with which to meet immediate and urgent needs. Heretofore the State Auditor has relieved the institutions by authorizing the advancement of money to the superintendents, and has protected himself by taking bonds from those to

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whom advances have been made. This has been done without authority of law, and I recommend that the Auditor be relieved of this burden and that a law be enacted authorizing the advancement of small sums of money to the various superintendents.

Complaints have been made that Superior Court Judges delay handing down their decisions until long after the ninety-day limit as provided in Section 20, Article IV. of the State Constitution. This is a source of criticism against the courts that can and should be eliminated.

I recommend the enactment of a law that will empower the prosecuting attorneys to subpoena witnesses to appear before them and give testimony for the purpose of investigating crimes.

The laws of Oregon and California prohibit the marriage of Caucasians with either Negros or Mongolians, and I recommend that similar legislation be enacted in this state.

At the request of the King County Bar Association, I appointed a commission of prominent attorneys to prepare and submit a bill looking to the simplification of court procedure and eliminating the long delays often complained of by litigants. The portion of the commission to whom was assigned the

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provision relative to probate laws has its report ready and will submit it in due time.

In closing, I trust that your deliberations will be governed by a spirit of harmony and guided at all times by a purpose to advance only the best interests of the entire state. In my successor you will find an able and conscientious executive, ready and anxious to co-operate with you in promoting the welfare of all the people of the state, and I trust that his recommendations will be given earnest consideration, free from partisan bias; that the relations between the Legislative and Executive Departments may early be established on a basis of cordiality and mutual respect, and that throughout the incoming administration, these two important branches of the state government may work together in perfect accord to the common end that the greatest good may be secured to the greatest number.

M. E. Hay,
Governor of Washington.

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